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LATHAM & WATKINS LLP

2008 JUL 18 AM 9:39

July 16, 2008

VIA FEDEX

Tracy J. Egoscue
Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, CA 90013

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File No. 03997 2-0001

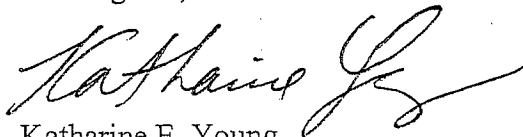
Re: Covenant and Environmental Restriction on Property for Hellman Property, 1, 2.5, & 4 Acre Parcels, Northeast Corner of Victoria Street & Central Avenue, 17810 Central Avenue, Carson (SCP No. 468) (Site Id No. 2042400)

Dear Ms. Egoscue:

Per your letter of June 20, 2008, a copy of which is attached, enclosed please find a certified copy of the recorded Covenant and Environmental Restriction on Property for the Hellman property located at 17810 South Central Avenue, in the City of Carson.

As previously discussed and indicated in your last correspondence, please issue a No Further Action letter for this property.

Best regards,



Katharine E. Young
of LATHAM & WATKINS LLP

Enclosures

cc: Jennifer Fordyce



California Regional Water Quality Control Board

Los Angeles Region



Recipient of the 2001 *Environmental Leadership Award* from Keep California Beautiful

Linda S. Adams
Agency Secretary

320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: <http://www.waterboards.ca.gov/losangeles>

Arnold Schwarzenegger
Governor

June 20, 2008

Mr. James L. Arnone, Esq.
Latham & Watkins, LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560

**COVENANT AND ENVIRONMENTAL RESTRICTION ON PROPERTY FOR
HELLMAN PROPERTY, 1, 2.5, & 4 ACRE PARCELS, NORTHEAST CORNER OF
VICTORIA STREET & CENTRAL AVENUE, 17810 CENTRAL AVENUE, CARSON
(SCP NO. 468) (SITE ID NO. 2042400)**

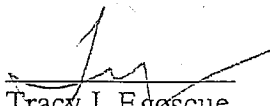
Dear Mr. Arnone:

The Los Angeles Regional Water Quality Control Board (Regional Board) has determined that a land use restriction is necessary for the protection of public health at the above-referenced property due to residual levels of contaminants in soil and soil gas remaining on-site.

Attached is a Covenant and Environmental Restriction on Property, which has been approved and signed by the Executive Officer. Please have an authorized representative sign and record the Covenant with the Los Angeles County Recorder's Office and submit a copy of the recorded document to our office. When the Regional Board receives the recorded Covenant, we will issue a "No Further Action" letter for the subject site.

If you have any questions, please contact Staff Counsel Jennifer Fordyce at (916) 324-6682.

Sincerely,


Tracy J. Egoscue
Executive Officer

cc: Andrew Parker, Little Blackfoot, LLC
William Houston, Little Blackfoot, LLC
Jennifer Fordyce, State Water Resources Control Board

Enclosure

California Environmental Protection Agency



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Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

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20081238354

Pages:
012



Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

Fee: 40.00
Tax: 0.00
Other: 144.00
Total: 184.00

07/11/08 AT 02:11PM

2119810 200807 110030037 Counter

TITLE(S) :



LEAD SHEET

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

07/11/08



20081238354

Recording Requested By:

Little Blackfoot, LLC
2200 Powell Street, Suite 970
Emeryville, California 94608

When Recorded, Mail To:

Tracy J. Egoscue, Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, California 90013

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY**

Northeast Corner of Central Avenue and Victoria Street, Carson, California 90746
Assessor Parcel Numbers: 7319-003-104, 7319-003-105, and 7319-003-106
LARWQCB SCP No. 468

This Covenant and Environmental Restriction on Property ("Covenant") is made as of the 8th day of JULY, 2008 by Little Blackfoot, LLC ("Covenantor") who is the Owner of record of that certain property situated at the northeast corner of Central Avenue and Victoria Street, with the street address of 17810 South Central Avenue, in the City of Carson, County of Los Angeles, State of California, which is more particularly described in Exhibits A, B, and C attached hereto and incorporated herein by this reference (hereinafter referred to as the "Burdened Property"), for the benefit of the California Regional Water Quality Control Board, Los Angeles Region ("Board"), with reference to the following facts:

A. Nature of Covenant. This Covenant is an environmental covenant provided for by Civil Code section 1471 and required by the Board pursuant to Water Code section 13307.1, because the Burdened Property is contaminated by hazardous materials as defined in section 25260 of the Health and Safety Code.

B. Contamination of the Burdened Property. The soil and soil gas at the Burdened Property was contaminated by crude oil and natural gas production activities conducted by Unocal and Brea Canon Oil Company. The known contamination originally consisted of organic chemicals, including total petroleum hydrocarbons (e.g., gasoline range, diesel range, and crude oil), aromatic hydrocarbons (e.g., benzene, toluene, ethylbenzene, and total xylenes) and metals (e.g., arsenic), which constitute hazardous materials. By means of soil excavation, the known contamination has been reduced to low residual concentrations of total petroleum hydrocarbons, benzene, toluene, ethylbenzene, and total xylenes in the soil and soil gas at the Burdened Property.

C. Exposure Pathways. The contaminants addressed in this Covenant are present in the soil and soil gas at the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these contaminants could take place via in-place contact and wind dispersal, resulting in dermal contact, inhalation, or ingestion by humans. The risk of public exposure to the contaminants has been substantially lessened by the soil remediation completed at the site and through controls described herein.

D. Land Uses and Population Potentially Affected. The Burdened Property is used for industrial land uses and is adjacent to industrial and residential land uses.

E. Disclosure and Sampling. Disclosure of the presence of hazardous materials on the Burdened Property has been made to the Board and extensive sampling of the Burdened Property has been conducted.

F. Use of Burdened Property. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that might result from any hazardous materials that might remain deposited on portions of the Burdened Property.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. These Restrictions are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors, assigns, and lessees thereof for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions: (a) are imposed upon the entire Burdened Property, unless expressly stated as applicable to a specific portion of the Burdened Property; (b) run with the land pursuant to section 1471 of the Civil Code; and (c) are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, and possessors of all or any portion of the Burdened Property shall become Owners or Occupants as defined herein and shall be deemed by their purchase, leasing, or possession of the Burdened Property to be bound by the Restrictions and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions herein established must be adhered to for the benefit of the Board and all Owners and Occupants, and that the interest of all Owners and Occupants of the Burdened Property shall be subject to the Restrictions.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions shall be incorporated in and attached to each and all deeds and leases of all or any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board, Los Angeles Region and shall include its successor agencies, if any.

2.2 Improvements. "Improvements" shall mean all buildings, structures, roads, driveways, gradings, re-gradings, and paved areas, constructed or placed upon any portion of the Burdened Property.

2.3 Occupant or Occupants. "Occupant" or "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the right to use and/or occupy all or any portion of the Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and Covenantor's successors in interest who hold title to all or any portion of the Burdened Property.

ARTICLE III DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

- a. Development and use of the Burdened Property shall be restricted to industrial, commercial, and/or office space;
- b. No residence for human habitation shall be permitted on the Burdened Property;
- c. No hospitals for humans shall be permitted on the Burdened Property;
- d. No public or private schools for persons under 21 years of age shall be permitted on the Burdened Property;
- e. No day care or community centers for children or senior citizens shall be authorized on the Burdened Property;

f. Any excavation conducted on the Burdened Property shall be performed pursuant to an appropriate and fully implemented Health and Safety Plan. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by the Owner, Owner's agent, Occupant, or Occupant's agent in accordance with all applicable provisions of local, state and federal law;

g. No Owner or Occupant shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board; nor shall the Owner or Occupant permit or engage any third party to do such acts;

h. The Covenantor agrees that the Board, and any persons acting pursuant to Board orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring as provided in Division 7 of the Water Code; and

i. No Owner or Occupant shall act in any manner that threatens or is likely to aggravate or contribute to the existing contaminated conditions of the Burdened Property.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the Restrictions set forth in Paragraph 3.1 shall be grounds for the Board, by the authority of this Covenant, to require that the Owner or Occupant modify or remove, or cause to be modified or removed, any Improvements constructed in violation of that Paragraph. Violation of this Covenant shall also be grounds for the Board to file civil actions against the Owner or Occupant as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to all or any portion of the Burdened Property. Any such instrument shall contain the following statement:

The land described herein contains hazardous materials in soils and soil gas that are above recommended levels for residential land uses, and is subject to a Covenant and Environmental Restriction dated as of _____, 2008, and recorded on _____, 2008, in the Official Records of Los Angeles County, California, as Document No. _____, which Covenant and Environmental Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's written consent, any Occupant may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's written consent, any Occupant may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with Paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (a) when delivered, if personally delivered to the person being served or an official of a government agency being served, or (b) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested, addressed:

If To: "Covenantor"
Little Blackfoot, LLC
Attention: Mr. Andrew Parker
2200 Powell Street, Suite 970
Emeryville, California 94608

Little Blackfoot, LLC
Attention: Mr. William Houston
2200 Powell Street, Suite 970
Emeryville, California 94608

With a copy to:
James L. Arnone, Esq.
Latham & Watkins, LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560

If To: "Board"
Regional Water Quality Control Board
Los Angeles Region
Attention: Executive Officer
320 W. 4th Street, Suite 200
Los Angeles, California 90013

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined by a court having jurisdiction to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Los Angeles within ten (10) days of the date of execution.

5.5 References. All references to Code sections include successor provisions.

5.6 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to preserve and implement the purpose of this instrument and the policies and purposes of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGES.]**

Covenantor: Little Blackfoot, LLC

Print Name: By: Michael L. Parker, Member/Manager of Loma Verde Properties LLC

Signature: [Signature]

Title: Manager

Date: July 8, 2008

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Alameda

On July 8, 2008 before me, Kelly A. MacArthur, Notary Public,
personally appeared Michael L. Parker

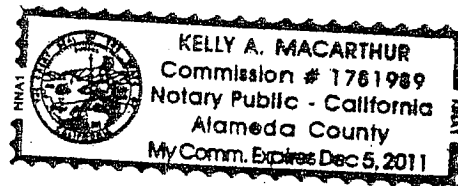
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

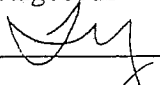
[Signature]
Signature of Notary Public

(Notary Seal)



California Regional Water Quality Control Board, Los Angeles Region

Print Name: Tracy J. Egoscue

Signature: 

Title: Executive Officer

Date: 6/20/08

CERTIFICATE OF ACKNOWLEDGMENT

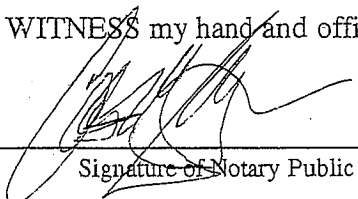
State of California

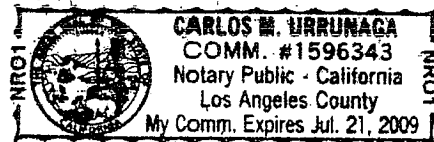
County of Los Angeles

On June 20, 2008 before me, Carlos M. Urrunaga, Notary Public, personally appeared Tracy J. Egoscue, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary Public



(Notary Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The Burdened Property referred to herein is reflected on the attached maps and described as follows:

Parcels 2, 3 and 4 of Parcel Map No. 24971, in the City of Carson, County of Los Angeles, State of California, as per map filed in Book 289 Pages 13 and 14 of Parcel Maps, in the Office of the County Recorder of said County.

EXCEPT therefrom all oil, gas, petroleum, hydrocarbon substances, water and other minerals below a depth of 500 feet measured vertically from the present surface of said land, together with the right of entry below said depth of 500 feet by slant or directional drilling from other lands to develop and produce oil, gas, petroleum, hydrocarbon substances, water and other minerals, and the right to use the structures below said depth of 500 feet for the storage and subsequent removal of gas or other substances, but without any right of surface entry.

Assessor Parcel Numbers: 7319-003-104 and 7319-003-105 and 7319-003-106

EXHIBIT B

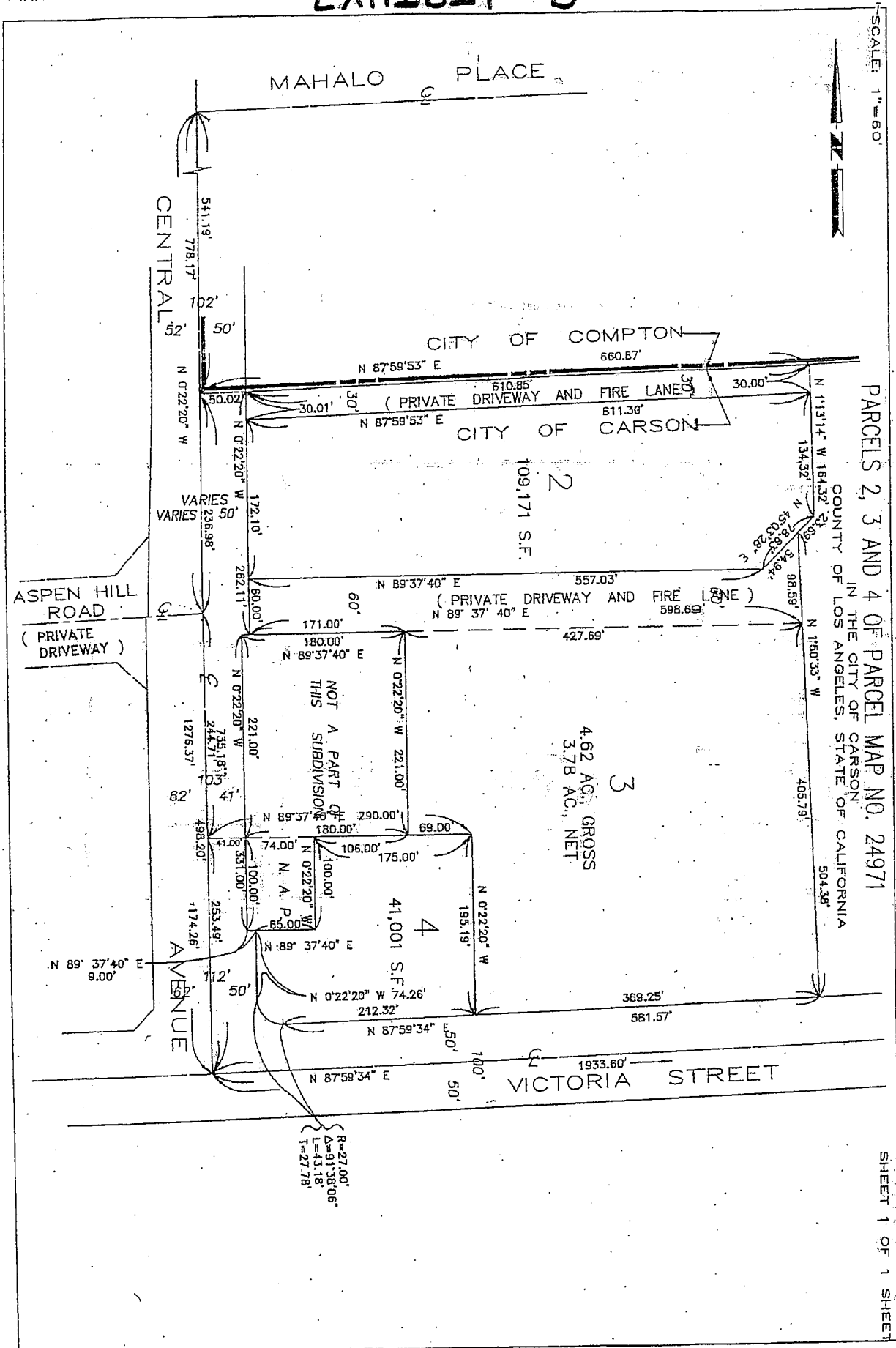
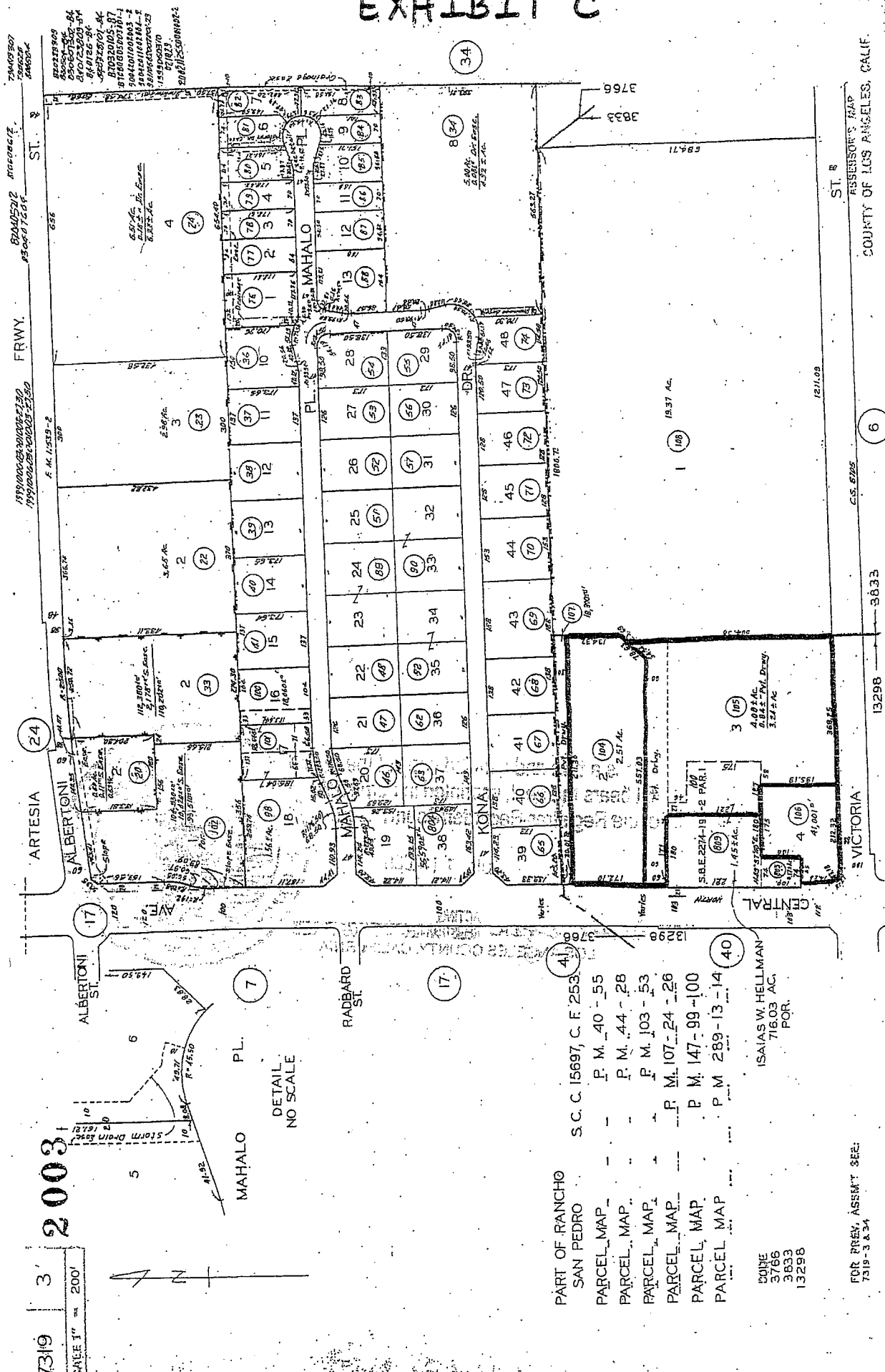
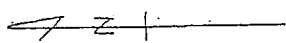


EXHIBIT C



7319 3' 2003
SCALE 1" = 200'



PART OF RANCHO
SAN PEDRO
PARCEL MAP
PARCEL MAP
PARCEL MAP
PARCEL MAP
PARCEL MAP
PARCEL MAP
P. M. 40 - 55
P. M. 44 - 28
P. M. 103 - 53
P. M. 107 - 24 - 26
P. M. 147 - 99 - 100
P. M. 289 - 13 - 14

ISAIAS W. HELLMAN
716.03 AC.
POR.
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FOR PREP. ASSMPT 362:
7319-3 & 34

ST. B
ASSUROR'S MAP
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This is a true and certified copy of the record
if it bears the seal, imprinted in purple ink,
of the Registrar-Recorder/County Clerk

JUL 11 2008

Dean C. Logan ACTING
REGISTRAR-RECORDER/COUNTY CLERK
LOS ANGELES COUNTY, CALIFORNIA



